



**COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR**
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012



MARK J. SALADINO
TREASURER AND TAX COLLECTOR

March 01, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

18 March 1, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**RECOMMENDATION TO APPROVE AMENDMENT NUMBER ONE
TO CONTRACT NUMBER 76070 WITH OPEX CORPORATION
FOR CONTINUED MAINTENANCE AND SUPPORT SERVICES
FOR MAIL PROCESSING EQUIPMENT
(ALL DISTRICTS - 3 VOTES)**

SUBJECT

The Treasurer and Tax Collector (TTC) is recommending approval of Amendment Number One to Contract Number 76070 (Contract) with OPEX Corporation (OPEX) to extend the current term of the maintenance and support services contract for the County-owned mail processing equipment for two (2) years with two (2) optional one (1) year renewals for a total of four (4) years.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Mayor to sign the attached sole source Amendment Number One to Contract Number 76070 with OPEX to extend the Contract for two (2) years through April 2, 2013, with two (2) optional one (1) year renewals for a total of four (4) years for the continued maintenance and support services for the County-owned mail processing equipment for the TTC, with a maximum contract amendment sum not to exceed \$326,522 commencing on April 3, 2011, or the date of Board approval, whichever is later.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The TTC has utilized its one (1) year renewal option under the existing sole source contract and is seeking a term extension. The recommended action will amend the Contract to extend the term for two (2) additional years through April 2, 2013, with two (2) optional one (1) year renewals for a total

of four (4) years for the continued maintenance and support of the County-owned mail processing equipment.

To support the Department's ongoing effort to more efficiently automate remittance processing operations in the handling and processing of approximately ten (10) million documents and pieces of mail received each year, including property tax and other payments owed to the County, the TTC purchased the OPEX high speed mail processing equipment necessary to open, filter, extract, separate, sort, and image documents as they pass through the equipment.

The OPEX equipment has been integrated as the mechanical backbone of the Remittance Processing and Document Management System (System), which was acquired through a Board approved agreement with Wausau Financial Systems, Inc. (WAUSAU). Upon completion of the mechanical processes, the System electronically captures the transaction data and an image of the documents for further processing, e.g., automated generation of deposits and creation of internal workflow documents for taxpayer research.

The OPEX equipment is a vital component of the TTC's current System, and OPEX is the only source that can provide comprehensive maintenance and support services for their equipment. Without this maintenance and support, the System would face natural degradation and possible failure, negatively impacting the successful automated remittance process. Due to the proprietary and exclusive nature of the OPEX equipment, it has been necessary to procure maintenance and support services independent of the agreement with WAUSAU.

The County-owned mail processing equipment, with an original outlay of approximately \$583,000, is comprised of multiple machines that perform a variety of mail opening and processing functions. If the TTC were to seek a replacement for comparable integrated equipment through an agreement award to a different contractor, it would be cost prohibitive and require a considerable amount of analysis and development time to identify and replicate the current System's functionality, ensuring the necessary compatibility with the WAUSAU software. Additionally, a new contractor, unfamiliar with the TTC's business operations and requirements would experience an extensive learning curve with the setup and integration into the current System, while compromising the TTC's current successful operation.

The Department sought a cost reduction from OPEX, and OPEX responded by reducing maintenance prices on average approximately three percent (3%) for the first year of the extension and provided a discount to the maintenance on the SW-MPE 7.5 during the first year.

The initial two (2) year extension will allow the three (3) agreements related to the remittance processing system, which includes the WAUSAU software, automated cashiering system, and maintenance on the OPEX mail processing equipment to expire at the same time. In early 2012, the Department will consider a resolicitation for a replacement of the entire integrated systems in light of budgetary constraints, service levels, and system functionality.

Implementation of Strategic Plan Goals

The maintenance and support of the County-owned equipment provided by the Contract amendment is in accordance with the TTC's approved Business Automation Plan. Successful performance and support of the System will also meet the County's Strategic Plan Goal of Operational Effectiveness, Strategy 2: Service Excellence and Organizational Effectiveness.

FISCAL IMPACT/FINANCING

The maximum contract amendment sum for the four (4) year term is \$326,522 for the continuation of equipment maintenance and repair services. This cost includes a maximum one-time cost of approximately \$940, which is being allocated for work to be performed on the Omaton EV-2 to bring the equipment up to current technical specification. This equipment was not previously covered under the existing agreement, and the work is required to place it on an annual maintenance schedule.

Funding for this contract amendment has been included in the Fiscal Year 2010-2011 Adopted Budget, and will be included in the TTC's budget requests for subsequent fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On December 19, 2006, your Board approved a four (4) year sole source agreement with authorization for TTC to enter into three (3) optional one (1) year renewals with WAUSAU for the maintenance and support of the System. The WAUSAU System utilizes OPEX equipment to process mail and other documents. WAUSAU is not authorized to maintain OPEX equipment and, therefore, a separate agreement for equipment maintenance was necessary.

Consequently, on April 3, 2007, your Board approved a four (4) year sole source contract with OPEX for maintenance and support of the OPEX equipment. Prior to the TTC's establishment of a contract with OPEX, maintenance and support services had been fulfilled by a purchase order process.

The TTC has utilized its one (1) year renewal option under the existing contract and is recommending a term extension with OPEX.

This is a sole source Amendment due to the fact that the equipment is proprietary, OPEX does not authorize any third-party to maintain OPEX equipment, and OPEX is the only bona fide source for this service. Also, the TTC's agreement for the WAUSAU System is dependent on the continued utilization of OPEX equipment to process the approximately ten (10) million pieces of mail and other documents processed annually.

The recommended Amendment (Attachment I) contains new required provisions pertaining to compliance with the County's Defaulted Property Tax Reduction Program.

In addition, attached is the Sole Source Contract Checklist (Attachment II), identifying and justifying the need for the agreement with OPEX. The Sole Source Checklist has been approved by the Chief Executive Office.

This is not a Proposition A Contract due to the technical nature of services provided and therefore, is not subject to the Living Wage Program (County Code Chapter 2.201).

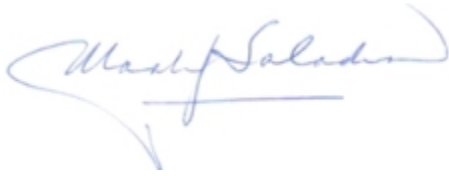
IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on current services. Approval of the Contract will ensure uninterrupted equipment maintenance and support services for the County-owned equipment.

CONCLUSION

Instruct the Executive Officer-Clerk of the Board to return two (2) signed originals of the Amendment Number One and one (1) adopted stamped Board letter to the TTC.

Respectfully submitted,

A handwritten signature in blue ink, reading "Mark J. Saladino", with a horizontal line underneath the name.

MARK J. SALADINO
Treasurer and Tax Collector

MJS:MH:HK:hk

Enclosures

c: Chief Executive Officer
County Counsel

**AMENDMENT NUMBER ONE
TO CONTRACT NUMBER 76070 FOR MAINTENANCE AND SUPPORT
OF OPEX CORPORATION MAIL PROCESSING EQUIPMENT**

This Amendment Number One, dated as of March 1, 2011 (together with all Exhibits, Schedules, and Attachments hereto, "Amendment Number One") to Contract Number 76070 (as defined below) is entered into by and between the County of Los Angeles ("County") and OPEX Corporation, a New Jersey corporation ("Contractor"), to provide equipment maintenance services based on the following recitals:

WHEREAS, County and Contractor have entered into that certain Contract Number 76070, dated as of April 3, 2007, (together with all Exhibits, Schedules and Attachments thereto, all as amended from time to time, "Contract") for mail processing equipment that supports the Los Angeles County Treasurer and Tax Collector's ("TTC") remittance processing system, which includes mandated operations of collecting secured and unsecured property taxes. Initial capitalized terms used in this Amendment Number One without definition have the meanings given to such terms in the Contract;

WHEREAS, County and Contractor desire to amend the Contract to extend the current term of the Contract for the continued maintenance and support of the applicable mail processing hardware equipment, and to make such other changes described herein, all as further described in, and subject to the terms and conditions of this Amendment Number One;

NOW, THEREFORE, in consideration of the foregoing recitals, all of which are incorporated as part of this Amendment Number One, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Contractor hereby agree as follows:

1. Amendment Number One Effective Date. This Amendment Number One shall be effective as of April 3, 2011, or the date first set forth above, whichever is later, and has been executed by an authorized officer of Contractor and has been approved by County's Board of Supervisors.
2. Section 1.0 (Applicable Documents). Amend the Contract to revise Section 1.0 (Applicable Documents) as follows:
 - a. Restate Section 1.0 in its entirety as follows:
 - 1.0 Exhibits A, B, C, D, E, F, G, H, and I are attached to, and form a part of this Contract. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the Contract and then to the Exhibits according to the following priority:

Standard Exhibits:

- 1.1 EXHIBIT A – Statement of Work
- 1.2 EXHIBIT B – Equipment and Pricing Schedule
- 1.3 EXHIBIT C – County's Administration
- 1.4 EXHIBIT D – Contractor's Administration
- 1.5 EXHIBIT E – Contractor's EEO Certification
- 1.6 EXHIBIT F – Jury Service Ordinance
- 1.7 EXHIBIT G – Safely Surrendered Baby Law
- 1.8 EXHIBIT H – Employee Acknowledgment & Confidentiality Agreement
- 1.9 EXHIBIT I – Defaulted Property Tax Reduction Program Ordinance

This Contract and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Sub-paragraph 8.4 – Change Notices and Amendments and signed by both parties.

3. Section 4.0 (Term of Contract). Amend the Contract to restate Section 4.0 (Term of Contract) in its entirety as follows:

4.0 TERM OF CONTRACT

- 4.1 This Contract is effective upon the Amendment Number One effective date and shall expire two (2) years following, unless sooner extended or terminated, in whole or in part, as provided herein.
- 4.2 Contractor shall invoice County in advance on an annual basis each year during the Contract term. County agrees that Contractor's invoice for year two (2) shall serve as notice to the County of this Contract's expiration.
- 4.3 The County shall have the option to extend the Contract term for up to two (2) additional one-year extensions, for a maximum total Contract term of four (4) years. Each such option and extension shall be exercised at the sole discretion of the Director or his/her designee. Any extension shall be subject to Contractor's rates set forth in the revised Exhibit B amended in accordance with this Amendment Number One.

4. Section 5.0 (Contract Sum). Amend the Contract to restate Subsection 5.1 (Contract Sum) in its entirety with the following:

5.0 CONTRACT SUM

- 5.1 The Contract Sum under this Contract shall be the total monetary amount payable by County to Contractor for supplying all the Tasks,

Subtasks, Deliverables, goods, services, and other work requested and specified under this Contract in accordance with the amounts set forth in the revised Exhibit B, Equipment and Pricing Schedule amended in accordance with this Amendment Number One. Contractor shall not be entitled to payment or reimbursement for any Tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein or in a Change Notice or Amendment.

5. New Section 9.0 (Warranty of Compliance with County's Defaulted Property Tax Reduction Program). Amend the Contract to add Section 9.0, "Warranty of Compliance with County's Defaulted Property Tax Reduction Program" as follows:

9.0 WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Contract will maintain compliance with Los Angeles County Code Chapter 2.206 (attached as Exhibit I).

6. New Section 10.0 (Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program). Amend the Contract to add Section 10.0, "Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program" as follows:

10.0 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Section 9.0 "Warranty of Compliance with County's Defaulted Property Tax Reduction Program" shall constitute default under this Contract. Without limiting the rights and remedies available to County under any other provision of this Contract, failure of Contractor to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this Contract and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

7. New Exhibit I (Defaulted Property Tax Reduction Program Ordinance). Amend the Contract to add Exhibit I, "Defaulted Property Tax Reduction Program Ordinance."

8. Exhibit B (Equipment and Pricing Schedule Revised under Change Notice 2). Replace Exhibit B (Equipment and Pricing Schedule Revised under Change Notice 2) to the Contract with the attached revised Exhibit B (Equipment and Pricing Schedule Revised under Amendment Number One).
9. No Other Amendments; Effect on Agreement. Except as expressly provided in this Amendment Number One, all other terms and conditions of the Contract shall remain the same and in full force and effect.
10. Authority. Contractor and the persons executing this Amendment Number One on behalf of Contractor hereby represent and warrant that the person executing this Amendment Number One for Contractor is an authorized agent who has the actual authority to bind the Contractor to each and every item, condition, and obligation of the Contract and that all requirements of Contractor have been fulfilled to provide such actual authority.
11. Governing Law. This Amendment Number One shall be governed by and construed in accordance with the laws of the State of California applicable to agreements made and to be performed within the State.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Mayor and the seal of such Board to be affixed and attested by the Executive Officer, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officers, as of the Amendment Number One Effective Date.

COUNTY OF LOS ANGELES
By Mike Antonovich
Mayor, Board of Supervisors

CONTRACTOR
OPEX Corporation
By [Signature]
Signature
Winnie Lu Chow
Print Name
Asst. Dir. Corp. Legal Affairs
Title

76070
Supplement No. 1

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk
Of the Board of Supervisors

By: Lachelle Smithman
Deputy



I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By: Lachelle Smithman
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By: Sergio Ponicku
Associate County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

18 MAR 1 2011

Sachi A. Hamai
[Stamp]

EXHIBIT B
EQUIPMENT AND PRICING SCHEDULE

MAINTENANCE PRICING SCHEDULE

MACHINE DESCRIPTION	COST YEAR 1 (4/3/11 - 4/2/12)	COST YEAR 2 (4/3/12 - 4/2/13)	COST YEAR 3 (4/3/13 - 4/2/14)	COST YEAR 4 (4/3/14 - 4/2/15)	TOTAL
Model 51					
Serial # 15294	\$1,885.00	\$1,979.25	\$2,078.21	\$2,223.69	
Serial # 15295	\$1,885.00	\$1,979.25	\$2,078.21	\$2,223.69	
Model AS3600i					
Serial #A0357	\$8,540.00	\$8,967.00	\$9,415.00	\$10,074.00	
Serial #A0358	\$8,540.00	\$8,967.00	\$9,415.00	\$10,074.00	
MPE 7.5*					
Serial #F036					
Base Machine	\$12,175.00	\$12,784.00	\$13,423.00	\$14,363.00	
Image Camera	3475	7298	7662	8199	
Image Camera	3475	7298	7662	8199	
Orienter	\$4,170.00	\$4,379.00	\$4,597.00	\$4,919.00	
Thick Stacker	\$865.00	\$908.00	\$954.00	\$1,020.00	
Reorder	\$575.00	\$604.00	\$634.00	\$678.00	
Milling Cutter	\$470.00	\$494.00	\$518.00	\$554.00	
SW-MPE7.5 Base	\$3,045.00	\$3,197.00	\$3,357.00	\$3,592.00	
Discount 7.5 Contract	(\$1,100.00)	\$0.00	\$0.00	\$0.00	
Omaton 206					
Serial #ZA01663	\$1,600.00	\$1,680.00	\$1,764.00	\$1,887.00	
Omaton EV-2					
Serial # 12759	\$1,835.00	\$1,927.00	\$2,023.00	\$2,165.00	
Model 51					
Serial # 15962	\$1,885.00	\$1,979.25	\$2,078.21	\$2,223.69	
Serial # 15963	\$1,885.00	\$1,979.25	\$2,078.21	\$2,223.69	
Serial # 15964	\$1,885.00	\$1,979.25	\$2,078.21	\$2,223.69	
Serial # 15965	\$1,885.00	\$1,979.25	\$2,078.21	\$2,223.69	
Serial # 15966	\$1,885.00	\$1,979.25	\$2,078.21	\$2,223.69	
Serial # 15967	\$1,885.00	\$1,979.25	\$2,078.21	\$2,223.69	
Serial # 15971	\$1,885.00	\$1,979.25	\$2,078.21	\$2,223.69	
Serial # 15972	\$1,885.00	\$1,979.25	\$2,078.21	\$2,223.69	
Serial # 15973	\$1,885.00	\$1,979.25	\$2,078.21	\$2,223.69	
Serial # 15974	\$1,885.00	\$1,979.25	\$2,078.21	\$2,223.69	
Weekend On Demand**	\$4,500.00	\$4,725.00	\$4,961.00	\$5,309.00	\$19,495
Holiday on Demand** (Good Fri. Avail. 4/3/12 - 4/2/13)	\$0.00	\$800.00	\$0.00	\$0.00	\$800
Annual Total***	\$67,835.00	\$73,183.00	\$75,999.52	\$81,319.28	\$298,337
Proj. Max. Weekend Cost	\$6,290.00	\$6,605.00	\$6,935.00	\$7,419.00	\$27,249
Max. One-Time Expense	\$936.20	\$0.00	\$0.00	\$0.00	\$936
GRAND TOTAL	\$75,061	\$79,788	\$82,935	\$88,738	\$326,522

* There are multiple components to this machine.

** Plus an hourly rate and mileage as shown on page 2.

***Annual total cost includes all labor and parts (excluding consumables) for each machine.

I. Annual Maintenance Schedule

Machine Type	Models 51	Model AS3600i	MPE 7.5	Demand		
				Unlimited	Unlimited	Unlimited
				Response Time		
				Preventive		
	4 Hours	4 Hours	2 Hours	12	6	12

Projected Maximum Weekend Demand Cost		Total
Year 1 - \$195.00 per hour and \$0.39 ea. mile		\$6,290
Year 2 - \$204.75 per hour and \$0.41 ea. mile		\$6,605
Year 3 - \$215.00 per hour and \$0.43 ea. mile		\$6,935
Year 4 - \$230.00 per hour and \$0.46 ea. mile		\$7,419
Total		\$27,249

II. Maximum One-Time Expense

Work Performed to Raise Omaton EV-2 Equipment to Current Technical Specification for Placement on Annual Maintenance	\$936.20
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Title 2 ADMINISTRATION
Chapter 2.206
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

EXHIBIT I

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- 2.206.010 Findings and declarations.
- 2.206.020 Definitions.
- 2.206.030 Applicability.
- 2.206.040 Required solicitation and contract language.
- 2.206.050 Administration and compliance certification.
- 2.206.060 Exclusions/Exemptions.
- 2.206.070 Enforcement and remedies.
- 2.206.080 Severability.

2.206.010 Findings and declarations.

The Board of Supervisors finds that significant revenues are lost each year as a result of taxpayers who fail to pay their tax obligations on time. The delinquencies impose an economic burden upon the County and its taxpayers. Therefore, the Board of Supervisors establishes the goal of ensuring that individuals and businesses that benefit financially from contracts with the County fulfill their property tax obligation. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.
- B. "County" shall mean the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body.
- C. "County Property Taxes" shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a Contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the Contractor.
- D. "Department" shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.
- E. "Default" shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to California Revenue and Taxation Code section 3436; or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to California Revenue and Taxation Code section 2922; except for any property tax obligation dispute pending before the Assessment Appeals Board.
- F. "Solicitation" shall mean the County's process to obtain bids or proposals for goods and services.
- G. "Treasurer-Tax Collector" shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.030 Applicability.

This chapter shall apply to all solicitations issued 60 days after the effective date of the ordinance codified in this chapter. This chapter shall also apply to all new, renewed, extended, and/or amended contracts entered into 60 days after the effective date of the ordinance codified in this chapter. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.040 Required solicitation and contract language.

All solicitations and all new, renewed, extended, and/or amended contracts shall contain language which:

- A. Requires any Contractor to keep County Property Taxes out of Default status at all times during the term of an awarded contract;
- B. Provides that the failure of the Contractor to comply with the provisions in this chapter may prevent the Contractor from being awarded a new contract; and
- C. Provides that the failure of the Contractor to comply with the provisions in this chapter may constitute a material breach of an existing contract, and failure to cure the breach within 10 days of notice by the County by paying the outstanding County Property Tax or making payments in a manner agreed to and approved by the Treasurer-Tax Collector, may subject the contract to suspension and/or termination. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.050 Administration and compliance certification.

- A. The Treasurer-Tax Collector shall be responsible for the administration of this chapter. The Treasurer-Tax Collector shall, with the assistance of the Chief Executive Officer, Director of Internal Services, and County Counsel, issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other departments.
- B. Contractor shall be required to certify, at the time of submitting any bid or proposal to the County, or entering into any new contract, or renewal, extension or amendment of an existing contract with the County, that it is in compliance with this chapter is not in Default on any County Property Taxes or is current in payments due under any approved payment arrangement. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.060 Exclusions/Exemptions.

A. This chapter shall not apply to the following contracts:

- 1. Chief Executive Office delegated authority agreements under \$50,000;
- 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor;
- 3. A purchase made through a state or federal contract;
- 4. A contract where state or federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance;
- 5. Purchase orders under a master agreement, where the Contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement.
- 6. Purchase orders issued by Internal Services Department under \$100,000 that is not the result of a competitive bidding process.
- 7. Program agreements that utilize Board of Supervisors' discretionary funds;
- 8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization;
- 9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles Purchasing Policy and Procedures Manual, section P-3700 or a successor provision;
- 10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.6.0 or a successor provision;

Title 2 ADMINISTRATION
Chapter 2.206
DEFAULTED PROPERTY TAX REDUCTION PROGRAM

11. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision;
 12. A non-agreement purchase worth a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or
 13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual Section P-0900 or a successor provision;
 14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.
- B. Other laws. This chapter shall not be interpreted or applied to any Contractor in a manner inconsistent with the laws of the United States or California. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.070 Enforcement and remedies.


- A. The information furnished by each Contractor certifying that it is in compliance with this chapter shall be under penalty of perjury.
- B. No Contractor shall willfully and knowingly make a false statement certifying compliance with this chapter for the purpose of obtaining or retaining a County contract.
- C. For Contractor's violation of any provision of this chapter, the County department head responsible for administering the contract may do one or more of the following:
1. Recommend to the Board of Supervisors the termination of the contract; and/or,
 2. Pursuant to chapter 2.202, seek the debarment of the contractor; and/or,
 3. Recommend to the Board of Supervisors that an exemption is justified pursuant to Section 2.206.060.A.14 of this chapter or payment deferral as provided pursuant to the California Revenue and Taxation Code. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.080 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. No. 2009-0026 § 1 (part), 2009.)

SOLE SOURCE CHECKLIST

Amendment Number One to the Mail Processing Equipment Contract
With OPEX Corporation

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS
	Identify applicable justification and provide documentation for each checked item.
✓	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited, but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
✓	➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.
	➤ It is most cost-effective to obtain services by exercising an option under an existing contract.
✓	➤ It is in the best interest of the County e.g., administrative cost savings, excessive learning curve for a new service provider, etc.
	➤ Other reason. Please explain:
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">  Deputy Chief Executive Officer, CEO </div> <div style="text-align: center;"> 2/4/11 Date </div> </div>	